

Exhibit 89

Page 1

Debtor.)

LORRAINE B. ABATE, CSR, RPR

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James Bolin - March 6, 2020

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1
2 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00356 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA))
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT IM, et al.,)
14 Defendants.)

12 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
13 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
14 ACTING BY AND THROUGH ITS MEMBERS,) 19-00357 (LTS)
15 and)
16 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
17 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
18 as co-trustees of)
19 THE EMPLOYERS RETIREMENT SYSTEM OF THE)
20 GOVERNMENT OF PUERTO RICO,)
21 Plaintiff,)
22 vs.)
23 STOEVEER GLASS & CO., et al.,)
24 Defendants.)

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2 THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00359 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT 1H-78H,)
14 Defendants)
15 _____)

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2 THE SPECIAL CLAIMS COMMITTEE OF THE FINNCIAL)
3 OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,) ADV. PROC. NO.
4 ACTING BY AND THROUGH ITS MEMBERS,) 19-00361 (LTS)
5 and)
6 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
7 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
8 as co-trustees of)
9 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
10 GOVERNMENT OF PUERTO RICO,)
11 Plaintiff,)
12 vs.)
13 DEFENDANT 1G-50G, et. al.,)
14 Defendants.)
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1 _____
2 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD)
3 FOR PUERTO RICO,) ADV. PROC. NO.
4 as representative of) 19-00366(LTS)
5 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT)
6 OF THE COMMONWEALTH OF PUERTO RICO,)
7 and)
8 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
9 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
10 as Section 926 trustee of)
11 THE COMMONWEALTH OF PUERTO RICO,)
12 Plaintiffs,)
13 vs.)
14 ANDALUSIAN GLOBAL DESIGNATED)
15 ACTIVITY COMPANY, et. al,)
16 Defendants.)
17 _____)

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2 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD)
3 FOR PUERTO RICO) ADV. PROC. NO.
4 as representative of) 19-00367 (LTS)
5 EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT)
6 OF THE COMMONWEALTH OF PUERTO RICO,)
7 and)
8 THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS)
9 OF ALL TITLE III DEBTORS (OTHER THAN COFINA),)
10 as Section 926 trustee of)
11 THE COMMONWEALTH OF PUERTO RICO,)
12 Plaintiffs,)
13 vs.)
14 GLENDON OPPORTUNITIES FUND, L.P., et. al,)
15 Defendants.)
16)

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CONFIDENTIAL TRANSCRIPT of the stenographic
notes of the deposition of James Bolin in the
above-entitled matter, as taken by and before
LORRAINE B. ABATE, a Certified Shorthand Reporter and
Notary Public of the State of New York and Registered
Professional Reporter, held at the offices of
Proskauer & Rose, LLP, 11 Times Square, New York, New
York, on March 6, 2020, commencing at 1:03 p.m.,
pursuant to Notice.

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* * * * *

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2 THE VIDEOGRAPHER: Here begins media
3 unit 1, volume 1, in the video deposition of
4 Mr. James Bolin in re, the Financial Oversight &
5 Management Board for Puerto Rico, et al. versus
6 Defendant 1G-50G, et al. in the United States
7 District Court for the District of Puerto Rico,
8 case No. 17-BK-3283.

9 Today's date is March 6, 2020. The time
10 is approximately 1:03 p.m. This deposition is
11 being held at Proskauer, 11 Times Square, New
12 York, New York 10036.

13 My name is Steve Decanio. I'm the legal
14 video specialist. The court reporter today is
15 Lorraine Abate, and we're both from Gregory
16 Edwards LLC. All attorneys appearances will be
17 noted on the stenographic record.

18 At this time, the court reporter will
19 please swear in the witness so we may begin.

20 J A M E S B O L I N,

21 Having been first duly sworn by a Notary
22 Public of the State of New York, was
23 examined and testified as follows:

24 EXAMINATION BY MAZUREK:

25 Q. Good afternoon, Mr. Bolin. My name is

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James Bolin - March 6, 2020

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2 So we've established that there's an
3 indirect ownership relationship between Azteca and
4 Palomino and Andalusian, and then if you turn one
5 page over, on page 18, lines 9 to 14, you stated that
6 Andalusian makes investment decisions on behalf of
7 Andalusian.

8 Is there any other entity that makes
9 decisions for Andalusian?

10 MR. PAPEZ: Object to the form of the
11 question, but you can answer.

12 A. Appaloosa LP is the investment advisor
13 and Appaloosa LP makes the decisions for Andalusian.

14 Q. When was Andalusian formed?

15 A. 2011.

16 Q. And for what purpose was it formed?

17 A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

21 Q. Does Andalusian have a purpose other
22 than to make or hold investments?

23 A. No.

24 Q. Is there any particular kind of
25 investment that Andalusian focuses on?

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2 contribution of ERS bonds to Andalusian in [REDACTED]?

3 A. I don't know.

4 Q. Were the -- strike that.

5 Are you aware of any purchases of bonds
6 by Andalusian other than those that occurred on the
7 four final dates listed in Exhibit B?

8 A. No.

9 Q. So it would be correct to say that
10 Exhibit B lists every date on which Andalusian
11 purchased ERS bonds?

12 A. Correct.

13 Q. The contribution of ERS bonds to
14 Andalusian in [REDACTED], was that pursuant to an
15 agreement?

16 A. Appaloosa was acting as -- in the
17 capacity as investment advisor to all of the funds.

18 Q. Was there a specific agreement, pursuant
19 to which, the contribution of ERS bonds to Andalusian
20 occurred?

21 A. What do you mean?

22 Q. What -- sorry.

23 What was the contribution made in
24 exchange for?

25 A. It wasn't an exchange, per se. The

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James Bolin - March 6, 2020

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1 CONFIDENTIAL - Bolin - March 6, 2020 - CONFIDENTIAL
2 bonds would have been contributed as capital into
3 Andalusian, and the ownership interests of the funds
4 in the -- I'll call it Andalusian, for the sake of
5 argument, excluded intermediary companies, but the
6 funds' investment in Andalusian would have increased
7 by a similar amount.

8 Q. For the Andalusian purchases of ERS
9 bonds, were those made on the open market?

10 A. What is the open market?

11 Q. Do you have an understanding of the term
12 open market?

13 A. I believe that means the street, what I
14 would call the street, secondary market.

15 Q. Okay. So were the Andalusian bonds
16 purchased on the open market, according to your
17 understanding of the term open market?

18 A. They were purchased from brokerage
19 firms.

20 Q. And were the previous -- strike that.
21 Were the purchases by -- of ERS bonds by
22 Appaloosa Funds other than Andalusian also purchased
23 on the open market, according to that definition that
24 you just gave?

25 A. They were purchased from brokerage

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James Bolin – March 6, 2020

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2 firms.

3 Q. Has Andalusian or any other Appaloosa
4 funds ever purchased ERS bonds except through
5 brokerage firms?

6 A. No.

7 Q. So we talked a little bit previously
8 about general processes for evaluating and making
9 decisions regarding investment.

10 I would like to delve a little more into
11 the specific decision to purchase ERS bonds at
12 Appaloosa.

13 You mentioned that Mr. Cole had his
14 initial interest in ERS sparked I believe in 2013 by
15 a Barron's article.

16 A. No, I don't believe I testified to that.
17 Mr. Cole identified Puerto Rico itself as a potential
18 troubled situation based on a Barron's article that I
19 believe was run approximately at that time.

20 Q. Okay. When did Andalusian first
21 identify -- strike that.

22 When did Appaloosa first identify ERS
23 bonds as a potential investment?

24 A. I believe I testified previously that I
25 became interested in the bonds after reading the

Exhibit 90

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Christopher Delaney – May 29, 2020

Page 1

1
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF PUERTO RICO
4 PROMESA TITLE III
5 CASE NO: 17-BK-03283 (LTS)

6 IN RE: THE FINANCIAL OVERSIGHT AND
7 MANAGEMENT BOARD FOR PUERTO RICO
8 as representative of
9 THE COMMONWEALTH OF PUERTO RICO, et al.,
10 Debtor(s).

11
12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE DISTRICT OF PUERTO RICO
14 PROMESA TITLE III
15 CASE NO: 17-BK-03566 (LTS)

16 IN RE: THE FINANCIAL OVERSIGHT AND
17 MANAGEMENT BOARD FOR PUERTO RICO
18 as representative of
19 THE EMPLOYEES RETIREMENT SYSTEM OF THE
20 GOVERNMENT OF THE COMMONWEALTH OF PUERTO
21 RICO,
22 Debtor(s).

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C O N F I D E N T I A L

21 VIDEOTAPED DEPOSITION UNDER ORAL EXAMINATION OF
22 CHRISTOPHER DELANEY
23 DATE: May 29, 2020
24
25 REPORTED BY: CHARLENE FRIEDMAN, CCR, RPR, CRR

GregoryEdwards, LLC | Worldwide Court Reporting
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The redacted information has not been submitted for the Court's consideration.

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Christopher Delaney – May 29, 2020

Page 12

1 VIDEO OPERATOR: This is the remote
2 video recorded deposition of Christopher
3 Delaney.

4 Today is Friday, May 29, 2020. The
5 time is now 1:09 p.m., in the Eastern Time
6 Zone.

7 We're here in the matter of In Re:
8 The Financial Oversight and Management Board
9 for Puerto Rico as Representatives of The
10 Commonwealth of Puerto Rico, et al., Debtors.

11 All counsel have been noted on
12 record.

13 My name is Jose Rivera, remote
14 video technician on behalf of Gregory Edward,
15 LLC.

16 At this time, the reporter,
17 Charlene Friedman, on behalf of Gregory
18 Edwards, LLC, please enter the statement for
19 remote proceedings into the record.

20 THE COURT REPORTER: My name is
21 Charlene Friedman. I am a Certified Court
22 Reporter of the State of New Jersey and also
23 a Notary Public for the State of New Jersey.

24 This deposition is being held via
25 video teleconferencing equipment. The

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This redacted filing will be the official record of the Court.
The redacted information has not been submitted for the Court's consideration.

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Christopher Delaney – May 29, 2020

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1 witness and the reporter are not in the same
2 room.

3 The witness will be sworn in
4 remotely, pursuant to agreement of all
5 parties. The parties stipulate that the
6 testimony is being given as if the witness
7 was sworn in person.

8 Mr. Delaney, please raise your
9 right hand.

10

11 C H R I S T O P H E R D E L A N E Y,
12 called as a witness, having been first duly
13 sworn according to law, testifies as follows:

14

15 EXAMINATION BY MR. RAIFORD:

16 Q Good morning to you, Mr. Delaney.
17 Good afternoon to -- for most of us.

18 Could you please state your full
19 name and your current home address, for the
20 record?

21 A Yes, Christopher Delaney.

22 My home address is [REDACTED]

[REDACTED]

24 Q My name is Landon Raiford. I'm
25 with the firm of Jenner Block. We represent

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Christopher Delaney – May 29, 2020

Page 20

1 A Correct.

2 Q And is Glendon Opportunities Fund,
3 LP the only Glendon-related fund that
4 invested in ERS bonds?

5 A I'm not sure I understand the
6 question.

7 Q So Glendon Opportunities Fund, LP
8 is a holder of ERS bonds, correct?

9 A Correct.

10 Q Is there any other Glendon-related
11 entity that is also a holder of the ERS
12 bonds?

13 A Currently, no.

14 Q And where does Altair fit in the
15 structure of the Glendon family?

16 A Altair is a fund of -- of which
17 Glendon Capital Management is the sub-advisor
18 for.

19 Q And who -- so who is the -- I don't
20 know if primary is the right word, but if
21 it's the sub-advisor, who is the primary
22 advisor?

23 A My understanding, and there's been
24 a lot of change in ownership across the
25 Altair complex, but Altair is the primary

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Christopher Delaney – May 29, 2020

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1 deposition notice for testimony as Chris
2 Delaney, the person, as opposed to a
3 corporate representative?

4 A Yes, I am.

5 Q And I know you're represented by
6 Jones Day in your capacity as a 30(b) (6)
7 witness.

8 Is Jones Day also your counsel in
9 your individual capacity today?

10 A Yes.

11 Q Now, how long have you been at
12 Glendon?

13 A I've been at Glendon since its
14 formation.

15 Q And when was Glendon formed?

16 A 2013.

17 Q And for what purpose was Glendon
18 formed?

19 A Glendon was formed for the purpose
20 of having a distress debt platform.

21 Q So Glendon is only a distress debt
22 investor?

23 A That's principally the strategy,
24 correct, but the -- the mandate is broader
25 than that, I guess.

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Christopher Delaney – May 29, 2020

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1 Q Yes, correct.

2 Again, the language we talked about
3 earlier says, on page 5, the ERS bonds that
4 each bondholder presently holds were
5 purchased, you know, on these dates.

6 So my question is, on January 24,
7 2020, did Altair presently hold the bonds
8 listed on Exhibit A?

9 A My understanding is that they did
10 not.

11 Q Okay. Did they hold any bonds on
12 January 24th of 2020?

13 A My understanding is that Altair did
14 not and that they had sold out of the
15 position sometime in [REDACTED] entirely.

16 Q Okay. Altair was -- was holding
17 out of the ERS bond business, so to speak, in
18 2018?

19 A Yeah, I -- it's not something that,
20 you know, I would have recalled, but I do
21 remember preparing in advance of the
22 deposition.

23 And I did ask our back office the
24 question of did we own any bonds in Altair,
25 and their answer was no.

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Christopher Delaney – May 29, 2020

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1 And I asked them when did we sell
2 out, and they replied that that was sometime
3 at the end of [REDACTED].

4 Q Why did Altair sell its ERS bond
5 holdings in [REDACTED]?

6 A I don't recall exactly, you know,
7 that specific trade. That was the last sale,
8 so they had been selling over the course of
9 some time. And that particular date, I -- I
10 can't remember the exact reason.

11 Q Now, you said, I believe, Glendon
12 Capital is a submanager for Altair, right?

13 A Correct.

14 Q So did Glendon Capital have some
15 say in the decision to sell Altair's holdings
16 in the ERS bonds?

17 A Yes.

18 Q And did you know -- so did Glendon
19 Capital recommend Altair sell its holdings in
20 the ERS bonds?

21 A Yes, it did.

22 Q Why did Glendon Capital recommend
23 that Altair sell its holdings in the ERS
24 bonds?

25 A The main reason that we were

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Christopher Delaney – May 29, 2020

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1 selling or we were recommending selling
2 Glendon Capital Management, it coincided with
3 Hurricane Maria, which happened, to my
4 memory, sometime at the end of 2017. And
5 that's when we started selling our ERS bonds
6 in Puerto Rico across most of our accounts.

7 The main reason for that being, you
8 know, it obviously had a profound impact to
9 the island and the financial prospects of the
10 island, of course.

11 And so it -- it changed our
12 underwriting, and we subsequently made a
13 decision to sell the bonds because of that.

14 Q Was there any other reason that
15 supported the decision to sell other than
16 Hurricane Maria?

17 A That was the primary reason. I --
18 I can't recall any other reason specifically.

19 Q Okay. And were you involved in
20 those discussions to sell -- to recommend
21 that Altair sell those positions?

22 A Yes, I was there.

23 Q And you would have been part of the
24 team that would have made the recommendation
25 internally at Glendon for Altair -- to

CONFIDENTIAL
Christopher Delaney – May 29, 2020

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1 recommend to Altair that they sell those
2 positions?

3 A Correct.

4 Q And that recommendation would have
5 gone to the investment committee?

6 A No. Once the investment is
7 approved, it's -- the discretion to manage it
8 from that point in time is left to the
9 investment team, subject to portfolio
10 concentration limits that are established by
11 the investment committee when it's approved
12 initially.

13 Q So, I guess, tell me if I'm wrong.

14 So based on the previous testimony
15 then, that would have been -- they would have
16 had the ultimate authority to sell Altair's
17 position in that response?

18 A Correct.

19 Q And to whom did Altair -- so there
20 may be lots of bonds.

21 I'm talking about the -- this
22 purchases listed on Exhibit A to Exhibit 3.

23 Who did Altair sell those bonds to?

24 MR. FOX: Objection, foundation.

25 A I would have no way of knowing

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Christopher Delaney – May 29, 2020

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1 that.

2 Q Okay. And if you -- if you wanted
3 to know, how would you go about doing that?

4 A Well, we would have transacted them
5 through a broker dealer. So I would have
6 known or I'd be able to find out that
7 counter-party.

8 Broker dealers often are purchasing
9 them for their own account, and I would have
10 no way of knowing if they did not buy it for
11 their own account, where it went, because
12 that's something that's not disclosed by
13 broker dealers.

14 Q And do you -- I'm sorry, I
15 interrupted you.

16 Do you know who the broker dealer
17 you used in selling the bonds listed on
18 Exhibit A?

19 A I do not.

20 Q Okay. So I think your testimony,
21 it's your understanding, that Altair
22 liquidated its ERS position in [REDACTED]?

23 A That's my understanding.

24 Q But Altair is -- it has -- as of
25 today and since -- since [REDACTED], Altair has had

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Christopher Delaney – May 29, 2020

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1 A There could be. I -- you know, I
2 think this is getting a little bit into the
3 territory of these aren't clearly defined
4 things in any universe, so I could, you know,
5 speculate about why one would be different
6 than the other, but I don't know that there's
7 a textbook that tells you that what one is or
8 what the other is.

9 Q Let's try it this way.
10 You've given testimony on your
11 understanding of what a public bond issuance
12 is.

13 I'll ask the same question.
14 What's your general understanding
15 of what a public bond offering is?

16 A I guess it would depend on the
17 context.

18 Q In your opinion, is -- were the ERS
19 bonds a public bond offering?

20 MR. FOX: Objection, calls for a
21 legal conclusion.

22 Q Just based on your understanding of
23 that term.

24 A Well, you know, because we had
25 bought them in the secondary market, you

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Christopher Delaney – May 29, 2020

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1 know, I guess five years after they were
2 initially issued, I can't say that I studied
3 with enough clarity, you know, what exactly
4 to call it.

5 You know, to answer your question,
6 I don't know that I can give you a precise
7 answer.

8 Q When you were investigating or
9 looking into purchasing ERS bonds, did you
10 look into the -- how the ERS bonds -- how the
11 issuance was structured at all?

12 A I don't recall.

13 Q And from your understanding, your
14 general understanding and the public bond
15 issuance, is the issuer borrowing from the
16 underwriter?

17 A It would depend on how the
18 transaction was structured.

19 Q Can you give me an example of a
20 transaction that would be structured in a way
21 so that the issuer is borrowing from the
22 underwriter?

23 A Yeah. I suppose if it was a
24 committed financing, whether it's a bond or a
25 loan or -- I guess both of those are -- are

Exhibit 91

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Richard Engman - May 28, 2020

Page 1

1
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF PUERTO RICO
4 PROMESA TITLE III
5 CASE NO: 17-BK-03283 (LTS)

6 IN RE: THE FINANCIAL OVERSIGHT AND
7 MANAGEMENT BOARD FOR PUERTO RICO
8 as representative of
9 THE COMMONWEALTH OF PUERTO RICO, et al.,
10 Debtor(s).

11
12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE DISTRICT OF PUERTO RICO
14 PROMESA TITLE III
15 CASE NO: 17-BK-03566 (LTS)

16 IN RE: THE FINANCIAL OVERSIGHT AND
17 MANAGEMENT BOARD FOR PUERTO RICO
18 as representative of
19 THE EMPLOYEES RETIREMENT SYSTEM OF THE
20 GOVERNMENT OF THE COMMONWEALTH OF PUERTO
21 RICO,
22 Debtor(s).

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CONFIDENTIAL
Richard Engman – May 28, 2020

Page 12

1 VIDEO OPERATOR: This is the remote
2 video recorded deposition of Richard Engman.

3 Today is Thursday, May 28, 2020.
4 The time is now 9:34 a.m. in the Eastern Time
5 Zone.

6 We are here in the matter of In Re:
7 The Financial Oversight and Management Board
8 for Puerto Rico as Representative of The
9 Commonwealth of Puerto Rico, et al.

10 All counsel have been noted on
11 record.

12 My name is Jose Rivera, remote
13 video technician on behalf of Gregory
14 Edwards, LLC.

15 At this time will the reporter,
16 Charlene Friedman, on behalf of Gregory
17 Edwards, LLC, please enter the statement for
18 remote proceedings into the record.

19 THE COURT REPORTER: My name is
20 Charlene Friedman. I am a Certified Court
21 Reporter of the State of New Jersey and a
22 Notary Public. This video deposition is
23 being held remotely and the witness and the
24 reporter are not in the same room.

25 Mr. Engman, please raise your right

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Richard Engman - May 28, 2020

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1 hand.

2 The witness will be sworn in
3 remotely, pursuant to agreement of all
4 parties. The parties stipulate that the
5 testimony is being given as if the witness
6 was sworn in person.

7

8 R I C H A R D E N G M A N,

9 called as a witness, having been first duly
10 sworn according to law, testifies as follows:

11

12 EXAMINATION BY MR. DALSEN:

13 Q Okay. Good morning, Mr. Engman.

14 A Good morning.

15 Q Can you just state your full name
16 for the record, please.

17 A Richard Hunter Engman.

18 Q And Mr. Engman, we've met before,
19 but I'm William Dalsen from Proskauer, and I
20 represent the Oversight Board in these
21 proceedings.

22 You understand that you are here
23 today to testify as a witness in certain
24 litigation between ERS, certain ERS
25 bondholders, the various committees,

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Richard Engman - May 28, 2020

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1 Q And do you have a sense of how much
2 time in total you spent preparing for today's
3 deposition?

4 A Five or six hours.

5 Q Okay. Mr. Engman, let me just ask
6 a few quick questions about Mason Capital.

7 I know we covered some of this
8 already in your prior transcript, which is an
9 exhibit now at this deposition.

10 Mason Capital is a hedge fund.

11 Is that correct?

12 A Correct.

13 Q And you work for Mason Capital
14 Management, which makes investment decisions
15 for Mason Capital, Limited Partnership that
16 is a party to these proceedings.

17 Is that right?

18 A Correct.

19 Q Do you know when Mason Capital
20 Management was formed?

21 A I believe in 2000 or 2001. It's
22 about 20 years.

23 MR. PAPEZ: And I'm just going to
24 object to that last question as beyond the
25 scope of the 30(b)(6), but obviously

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Richard Engman - May 28, 2020

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1 would have been as significant. For the most
2 part, our position has just grown.

3 Q And when you say it's easy enough
4 for you to find out, would you just look at
5 the trade confirmation or trade blotter
6 documents that you referred to earlier to
7 find out whether you saw any?

8 A Yes. I would send an e-mail to ops
9 and ask that -- yes. I don't have access to
10 the trade blotter myself, but I can get it,
11 so...

12 Q Do you know from whom Mason Capital
13 Management Fund, LP purchased the ERS funds?

14 A The -- the -- are you referring to
15 the broker/dealer?

16 I could find that information as
17 well. It would have been the broker/dealer.

18 If you mean who was the underlying
19 beneficial owner that was the seller? No.

20 We might have suspicions in certain
21 cases because you hear that somebody is
22 selling at the same time we're buying, but
23 I'm unaware of any direct trades with -- with
24 a principal.

25 Q And is it your understanding that

Exhibit 92

Jordan Mikes, Esq. – March 5, 2020

| | | | |
|----|--|---|-------------------|
| 1 | IN THE UNITED STATES DISTRICT COURT | | |
| 2 | FOR THE DISTRICT OF PUERTO RICO | | |
| 3 | | | |
| 4 | <hr/> | | |
| 5 | In Re: |) | |
| 6 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA TITLE III |
| 7 | FOR PUERTO RICO |) | Case No. |
| 8 | as representative of |) | 17-BK-03283 (LTS) |
| 9 | THE COMMONWEALTH OF PUERTO RICO, et. al, |) | |
| 10 | Debtors. |) | |
| 11 | <hr/> | | |
| 12 | In Re: |) | |
| 13 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA Title III |
| 14 | FOR PUERTO RICO |) | Case No. |
| 15 | as representative of |) | 17-BK-03566 (LTS) |
| 16 | THE EMPLOYEES RETIREMENT SYSTEM OF THE |) | |
| 17 | GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO, |) | |
| 18 | Debtor. |) | |
| 19 | |) | |

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VIDEOTAPED DEPOSITION UNDER ORAL EXAMINATION OF

JORDAN MIKES, ESQ.

March 5, 2020

REPORTED BY: MICHAEL FRIEDMAN, CCR

This redacted filing will be the official record of the Court.
The redacted information has not been submitted for the Court's consideration.

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Jordan Mikes, Esq. – March 5, 2020

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1 THE VIDEOGRAPHER: Please stand by.

2 This begins Media unit 1 in Volume
3 1 for the video deposition of Mr. Jordan
4 Mikes, In Re: The Financial Oversight
5 and Management Board for Puerto Rico, et
6 al., versus Defendant 1G-50G, et al.,
7 defendants, in the United States
8 District Court for the District of
9 Puerto Rico, Case No: 17-BK-3283.

10 Today's date is March 5th, 2020.

11 The time is approximately 9:09 a.m.

12 This deposition is being taken at
13 Proskauer Rose, 11 Times Square, New
14 York, New York 10036.

15 My name is Steve Decaneo. I'm the
16 legal video specialist.

17 The court reporter today is Mike
18 Friedman. And we're both from Gregory
19 Edwards, LLC.

20 Attorney appearances will be noted
21 on the stenographic record.

22 At this time, will the court
23 reporter please swear in the witness so
24 we may begin.

25

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Jordan Mikes, Esq. – March 5, 2020

Page 13

1 JORDAN MIKES, ESQ.,
2 called as a witness, having been first
3 duly sworn according to law, testifies as follows:
4
5
6

7 EXAMINATION BY MS. ROOT:

8 Q Good morning.
9 Could you please state your full
10 name for the record?

11 A Sure.
12 Jordan Mikes.

13 Q Okay. Mr. Mikes, I'm Melissa Root.
14 I'm one of the lawyers that represents the
15 Retiree Committee.

16 I will be taking your deposition
17 today.

18 Do you understand that you're here
19 today to testify as a witness in litigation
20 pending between ERS -- certain ERS
21 bondholders, the Retiree Committee, the
22 Creditors Committee, the Financial Oversight
23 and Management Board and the Special Claims
24 Committee?

25 A Yes, I do.

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This redacted filing will be the official record of the Court.
The redacted information has not been submitted for the Court's consideration.

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Jordan Mikes, Esq. - March 5, 2020

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1 A So the -- the legal department, we
2 have roughly ten officer-level attorneys in
3 the United States.

4 We have three in Hong Kong, and we
5 have two in London.

6 And that's in the -- the legal
7 group.

8 We also have certain strategies
9 that have lawyers that are in the investment
10 team that's not in that number, all in, and
11 that's probably another four or five
12 worldwide.

13 Q Okay. Let's talk a little bit
14 about the business of Oaktree Capital
15 Management.

16 How would you describe the
17 business?

18 A Oaktree Capital Management is a
19 registered investment advisor, and advises
20 funds that it forms to make investment
21 decision -- decisions in a wide range of
22 asset types. We have roughly \$120 billion
23 under management.

24 And it's really advising on
25 investment decision making for the funds that

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Jordan Mikes, Esq. – March 5, 2020

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1 point.

2 Correct?

3 A Yes.

4 Q Do you know when that was?

5 A My understanding, again, is that it
6 was in the [REDACTED] vintage with the OPS IX
7 Funds.

8 Q Okay. And do you know when it sold
9 ERS bonds?

10 A I do not have that information
11 here.

12 Q Is it accurate that the first time
13 any Oaktree entity purchased bonds was on
14 [REDACTED]?

15 A Yes.

16 Q And is it accurate that the last
17 date on which any Oaktree Fund purchased
18 bonds was [REDACTED]?

19 A Yes.

20 Q I will ask you a general question.
21 I can break it down if I need to.

22 But, how did Oaktree acquire the
23 bonds that it purchased, the ERS bonds that
24 it had purchased?

25 MR. PAPEZ: Objection to form.

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Jordan Mikes, Esq. – March 5, 2020

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1 Go ahead.

2 A We bought in the market, so it
3 would have been through a dealer.

4 These were -- these were registered
5 bonds that traded, so we would have purchased
6 in the secondary market.

7 Q Okay. Does Oaktree have an
8 understanding of whether when it purchased
9 ERS bonds in the open market, it received an
10 assignment of claims from the prior holders
11 of those bonds?

12 A When you trade bonds, the
13 documentation is such that you acquire rates
14 and the typical obligations and rights that
15 go along with the ownership of the bonds, but
16 there was no separate transfer of claims or
17 anything that was broken all separate and
18 apart from the bonds.

19 Q Okay. We talked earlier, Mr. Mikes
20 about the documents that Oaktree reviewed in
21 its diligence before purchasing bonds in May
22 of 2014.

23 Do you recall that testimony?

24 A Yes.

25 Q And do you recall giving me a

Exhibit 93

CONFIDENTIAL
Luke Corning - March 6, 2020

Luke Corning - March 6, 2020

Page 1

| | | | |
|----|--|---|-------------------|
| 1 | IN THE UNITED STATES DISTRICT COURT | | |
| 2 | FOR THE DISTRICT OF PUERTO RICO | | |
| 3 | | | |
| 4 | <hr/> | | |
| 5 | In Re: |) | |
| 6 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA TITLE III |
| 7 | FOR PUERTO RICO |) | Case No. |
| 8 | as representative of |) | 17-BK-03283 (LTS) |
| 9 | THE COMMONWEALTH OF PUERTO RICO, et. al, |) | |
| 10 | Debtors. |) | |
| 11 | <hr/> | |) |
| 12 | In Re: |) | |
| 13 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA Title III |
| 14 | FOR PUERTO RICO |) | Case No. |
| 15 | as representative of |) | 17-BK-03566 (LTS) |
| 16 | THE EMPLOYEES RETIREMENT SYSTEM OF THE |) | |
| 17 | GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO, |) | |
| 18 | Debtor. |) | |
| 19 | |) | |

20

21 CONFIDENTIAL

22 Transcript of Luke Corning

23

24 Reported by:

25 LORRAINE B. ABATE, CSR, RPR

CONFIDENTIAL
Luke Corning – March 6, 2020

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1 CONFIDENTIAL – Corning – March 6, 2020 – CONFIDENTIAL

2 THE VIDEOGRAPHER: Here begins media
3 unit 1, volume 1 in the video deposition of
4 Mr. Luke Corning in re: The Financial Oversight
5 and Management Board for Puerto Rico, et al.
6 versus defendant 1G-50G, et al. in the United
7 States District Court for the District of Puerto
8 Rico, case No. 17 BK-3283.

9 Today's date is March 6, 2020. The time
10 is approximately 9:03 a.m. This deposition is
11 being taken at Proskauer, 11 Times Square, New
12 York, New York 10036.

13 My name is Steve Decanio and I'm the
14 legal video specialist. The court reporter
15 today is Lorraine Abate, and we're both from
16 Gregory Edwards, LLC. All attorney appearances
17 will be noted on the stenographic record.

18 At this time, the court reporter will
19 please swear in the witness so we may begin.

20 L U K E C O R N I N G,

21 Having been first duly sworn by a Notary
22 Public of the State of New York, was
23 examined and testified as follows:

24 EXAMINATION BY MR. RAIFORD:

25 Q. Good morning, Mr. Corning.

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Luke Corning - March 6, 2020

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1 CONFIDENTIAL - Corning - March 6, 2020 - CONFIDENTIAL
2 whether -- what was -- I'd have to spend some time on
3 that.

4 Q. Now, I believe I saw in one of the
5 documents that your e-mail is at PWCM.com; is that
6 correct?

7 A. That's correct.

8 Q. Do you have any other work-related
9 e-mail address?

10 A. No.

11 Q. And at any point in time, have you
12 worked with any of the other Pentwater funds other
13 than your current employer?

14 A. No.

15 Q. So you have not been an employee with --
16 and how long have you been with, I guess, mother ship
17 Pentwater?

18 A. I understand that question. Since 2014.

19 Q. Before that, where were you?

20 A. Another family office in the area,
21 Chicago area.

22 Q. And did that other family office in the
23 Chicago area have any business in Puerto Rico?

24 A. They did not at all.

25 Q. So now for the part I was least looking

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Luke Corning - March 6, 2020

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2 forward to. Let's unpack Pentwater, exactly how it's
3 structured, and I may regret this, but can you
4 generally describe for me the corporate structure of
5 Pentwater, at least as it relates to the funds at
6 issue here who hold ERS bonds?

7 MS. PEREZ: Objection, outside the
8 scope.

9 Q. You can answer.

10 A. Okay. So I think it's -- it's actually
11 pretty simple.

12 Q. Thank God.

13 A. It's -- Pentwater Capital Management LP
14 is the investment manager of all of those funds.

15 Sometimes funds have different tax and
16 legal structures based on their investors. You could
17 have a single investor, they could have -- that's a
18 segregated account only for that investor. Or they
19 could have multiple investors, and with slightly
20 variant investment strategies and guidelines.

21 They're all treated the same as
22 Pentwater Capital Management LP would view them, but
23 for those mechanical allocations and decisions based
24 on their guidelines.

25 So from -- from the standpoint of an

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2 investment manager, their -- the differentiation
3 between them is -- is none. I don't focus or
4 understand very much about the individual tax and
5 legal structures of each.

6 Q. So I guess you have Pentwater Capital
7 Management and then all the other Pentwater funds
8 that are at least relevant today are kind of direct
9 subsidiaries of Pentwater Capital Management; is
10 that --

11 A. Not subsidiaries. They're individual
12 entities that have entered an investment manager --
13 management agreement with Pentwater. And in all
14 instances, if it's called an investment management
15 agreement, I'm not certain. But they've all provided
16 investment authority to Pentwater Capital Management
17 LP to act on their behalf.

18 Q. So does Pentwater Capital Management
19 make all the investment decisions for these funds?

20 MS. PEREZ: Objection, outside the scope
21 of the 30(b)(6).

22 Q. You can answer. So in general, if they
23 don't -- they'll instruct you not to. Otherwise,
24 they will put their objection on the record and that
25 is for us to fight about another day if we decide to.

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2 A. Okay. Whether it counts what I say or
3 not. Okay.

4 Q. It counts to me.

5 A. I appreciate that. Could you repeat the
6 question. I'm sorry.

7 Q. Sure. Does Pentwater Capital Management
8 make all the investment decisions for these feeder
9 funds, if you will?

10 MS. PEREZ: And again, objection,
11 outside the scope.

12 You can answer.

13 A. As far as it operates within the
14 investment guidelines.

15 Q. Let me ask you this, let's take Crown
16 Managed funds For and on Behalf of Crown/PWSP. It
17 holds ERS bonds currently.

18 Did Crown-managed accounts make the
19 decision to purchase ERS bonds or did Pentwater
20 Capital Management make the decision to purchase ERS
21 bonds?

22 A. Pentwater Capital Management.

23 Q. And would that be the same answer for
24 LMA SPC For and on Behalf of Map 98 Segregated
25 Portfolio?

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2 A. Yes, it would be the same for all.

3 Q. Oceana?

4 A. For all the Pentwater funds.

5 Q. Thank you.

6 And do the non-Pentwater Capital
7 Management Pentwater funds, do they have employees?

8 MS. PEREZ: Objection, outside the
9 scope.

10 A. No. To the extent that they have some
11 operational infrastructure behind them that accounts
12 for taxes and so forth, but no investment folks.

13 Q. There's not a CFO of Oceana Master Fund
14 Ltd., I'm assuming?

15 A. That's a difficult question in that I
16 believe that the Pentwater -- there are certain
17 officers of Pentwater that are often officers of
18 those funds. I don't -- I'm not certain that there
19 is no CFO of that entity for whatever its tax
20 structure.

21 But I think your question is saying --
22 there's no one additional to Pentwater Capital
23 Management that I'm aware of making any investment
24 decisions at those -- or giving input on investment
25 decisions at those funds. There's no investment

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2 function at those funds.

3 Q. Understood.

4 When was Crown Managed Accounts formed,
5 when was it created?

6 MS. PEREZ: Objection. Outside the
7 scope.

8 A. I don't know. Probably, it's probably
9 created -- the entity was probably created at the
10 time they signed Pentwater as an investment manager.
11 So it was probably -- it's a separate account.

12 So it was likely created for the
13 investment which Pentwater Capital Management signed
14 as an investment advisor, which is why I don't
15 believe that they have had any employees or
16 otherwise. But that's -- I don't know the date or
17 year of each of their formations.

18 Q. Let me ask it this way, then; was Crown
19 Managed Accounts created solely to invest in ERS
20 bonds?

21 A. No.

22 Q. What about For and on Behalf of
23 Crown/PWSP, was Crown/PWSP created solely for the
24 purpose of investing in ERS bonds?

25 A. No.

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2 Q. So that entity was created prior to the
3 purchase of the ERS bonds?

4 A. Definitely.

5 Q. And does it hold -- this is the only
6 question I'll ask about this; does it hold presently
7 other assets other than ERS bonds?

8 MS. PEREZ: Objection, outside the
9 scope.

10 A. Yes.

11 Q. So LMA SPC, For and on Behalf of Map 98
12 Segregated Portfolio, do you know when it entered
13 into its investment contract with Pentwater Capital
14 Management?

15 MS. PEREZ: Objection, outside the
16 scope.

17 A. I don't know for any of the Pentwater
18 funds, but I know that for none of them, were they
19 created for the purpose of investing in ERS bonds.

20 Q. And they all existed prior to --

21 A. Correct.

22 Q. -- their purchase of ERS bonds?

23 A. Correct.

24 Q. You can put Exhibit 1 away, at least for
25 now.

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2 would in fact not answer; is that correct?

3 A. Yes.

4 MR. RAIFORD: And then I guess the last
5 thing is that we are all, both Jones Day, the
6 committees and the government parties, and
7 anybody else in the room, is hereby reserving
8 their rights on this issue to argue this later
9 in front of the Court.

10 MR. PAPEZ: Yeah, that's fine.

11 MR. RAIFORD: Thanks, Matt. I
12 appreciate that.

13 BY MR. RAIFORD:

14 Q. So backing up a little bit, when the
15 Pentwater funds purchased ERS bonds, did they
16 purchase the -- their interest in the bonds in the
17 open market?

18 A. Yes.

19 Q. And --

20 A. As far as I understand the open market
21 just to be through trading desks.

22 Q. -- can you go into a little more, for us
23 novices, exactly how that works in a little more
24 detail.

25 A. There are financial institutions that

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Luke Corning – March 6, 2020

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1 CONFIDENTIAL – Corning – March 6, 2020 – CONFIDENTIAL
2 buy and sell bonds, and it's the common place to
3 purchase a bond is through a bank, a trading bank, a
4 broker-dealer.

5 Q. And as far as you know, all of the
6 interest in ERS bonds the Pentwater Funds purchased,
7 were purchased through that system on the open market
8 as you describe it?

9 A. Correct.

10 Q. And Pentwater, did they -- do they focus
11 on distressed debt situations as like a management
12 investment strategy?

13 A. As a component of the investment focus.

14 Q. How big of a component? I get there's
15 some ballparking that goes on in that.

16 A. I could say a quarter.

17 Q. And what other types of components do
18 the Pentwater funds focus on?

19 A. A variety of equity-focused strategies.

20 Q. A quarter. And is that true -- you said
21 about a quarter. Is that true for all of the
22 Pentwater funds that we're talking about today?

23 A. That can be a nuance to answer, but I
24 would say it's generally the case.

25 Q. And of the Pentwater funds -- again, we

Exhibit 94

Justin Boyer - March 3, 2020

Page 1

| | | | |
|----|--|---|-------------------|
| 1 | IN THE UNITED STATES DISTRICT COURT | | |
| 2 | FOR THE DISTRICT OF PUERTO RICO | | |
| 3 | | | |
| 4 | <hr/> | | |
| 5 | In Re: |) | |
| 6 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA TITLE III |
| 7 | FOR PUERTO RICO |) | Case No. |
| 8 | as representative of |) | 17-BK-03283 (LTS) |
| 9 | THE COMMONWEALTH OF PUERTO RICO, et. al, |) | |
| 10 | Debtors. |) | |
| 11 | <hr/> | |) |
| 12 | In Re: |) | |
| 13 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA Title III |
| 14 | FOR PUERTO RICO |) | Case No. |
| 15 | as representative of |) | 17-BK-03566 (LTS) |
| 16 | THE EMPLOYEES RETIREMENT SYSTEM OF THE |) | |
| 17 | GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO, |) | |
| 18 | Debtor. |) | |
| 19 | |) | |

20

21 CONFIDENTIAL

22 Transcript of JUSTIN BOYER

23

24 Reported by:

25 LORRAINE B. ABATE, CSR, RPR

25

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Justin Boyer - March 3, 2020

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1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 JUSTIN CHARLES BOYER,

3 Having been first duly sworn by a Notary

4 Public of the State of New York, was

5 examined and testified as follows:

6 EXAMINATION BY MR. BASSETT

7 Q. Good afternoon, Mr. Boyer. My name is
8 Nick Bassett. I'm a lawyer at Paul Hastings which
9 represents the Official Committee of Unsecured
10 Creditors in the Title III cases for ERS and other
11 instrumentalities in the Commonwealth of Puerto Rico.

12 Have you ever been deposed before?

13 A. No.

14 Q. So -- and by the way, have you ever gone
15 by any other names currently or in the past?

16 A. No.

17 Q. Okay. So just to give you a sense of
18 how today will proceed, I'm going to ask you a series
19 of questions. I would just expect that your answers
20 be clear and audible for the court reporter to
21 understand.

22 I would ask that you please let me
23 finish asking my question before you respond to make
24 her job easier. And then also, try to keep your
25 responses verbal instead of nodding or shaking of the

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2 A. No.

3 Q. Do you speak any foreign languages?

4 A. No.

5 Q. You don't speak Spanish?

6 A. I do not.

7 Q. On any level at all?

8 A. There is a joke about how bad my Spanish
9 is, is -- you know, I -- at Penn there is a language
10 requirement. I had to start at the ground level. It
11 was the hardest class I took in college, required the
12 most amount of effort.

13 I'm happy to say -- or actually,
14 unfortunately, I'm sad to say that I can't speak
15 Spanish.

16 Q. Fair enough.

17 So what's the name of your current
18 employer?

19 A. Redwood Capital Management, LLC.

20 Q. And what does Redwood Capital
21 Management, LLC do?

22 A. We're an investment firm. We -- well, I
23 would say Redwood Capital Management is a -- is an
24 investment firm that manages funds. There's
25 different fund names. I could try to give you some

CONFIDENTIAL
Justin Boyer - March 3, 2020

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2 of them to the best of my recollection.

3 But we oversee approximately I want to
4 say [REDACTED]. We have
5 approximately -- I want to say ten analysts and we do
6 mostly investing focused on credit and equity special
7 situations.

8 Q. When you say special situations, what
9 does that mean?

10 A. You know, things that have event risk or
11 we expect, you know -- for example, I'm the analyst
12 on Pacific Gas & Electric. It's an equity that, you
13 know, unfortunately, had some fires that resulted in
14 a bankruptcy filing. And so understanding I think
15 how the bankruptcy is going to work is very important
16 to the equity valuation.

17 And so we're trying to, you know, be
18 holders that could sort of shepherd the equity to the
19 process of its -- through its reorganization.

20 Q. So within the special situations that
21 you described, that would include investing in
22 distressed companies?

23 A. Distressed companies, yeah.

24 Q. And then you said -- is it fair to
25 characterize Redwood Capital Management, LLC as an

CONFIDENTIAL
Justin Boyer - March 3, 2020

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1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 investment advisor?

3 A. I don't know if investment advisor has a
4 particular legal term. I mean colloquially, yes.

5 Q. Okay. And then you said that you might
6 be able to list off names of some of the funds. I
7 believe you said [REDACTED] or so --

8 A. No, that was the AUM; [REDACTED]

9 [REDACTED].

10 Q. [REDACTED]. I'm sorry.

11 How many funds --

12 A. Those --

13 Q. How many funds does Redwood Capital
14 Management advise for?

15 A. So to the best of my knowledge I'm
16 giving you, so there's Redwood Master Fund which is
17 the main fund. That -- there's Redwood Opportunity
18 Fund, which is mostly a high-yield product fund --
19 high-yield bonds and loans.

20 Then there's two drawdown vehicles;
21 Drawdown 1 and Drawdown 2. Those are basically
22 designed that we're able to draw capital when we
23 think outside opportunities exist.

24 And then there's some managed accounts,
25 I think, for a few individuals. And we used to have

CONFIDENTIAL
Justin Boyer - March 3, 2020

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1 CONFIDENTIAL - Boyer - March 3, 2020 - CONFIDENTIAL

2 an [REDACTED] fund.

3 Q. And does -- between the Master Fund and
4 the Opportunities Fund, do they each have separate
5 focuses?

6 A. I would say the Opportunities Fund tend
7 to do safer credit. It's sort of mandate is to
8 invest in more top of the capital structure credits
9 that are safer, and you know, that comes with less of
10 a potential return.

11 The fund does use a small amount of
12 leverage, maybe like 1.3 times leverage, to generate
13 a little extra for the investors. It's also designed
14 to go a little bit more liquid.

15 And the Master Fund is really sort of
16 more of a multi-strategy hedge fund where we have,
17 you know, things from investing in, you know,
18 government securities, municipal securities, in the
19 case of Puerto Rico. And you know, some special
20 situation securities; risk arbitrage, what we
21 consider undervalued credit, reorganizations. I
22 mean, I could list a lot, but...

23 Q. Okay. You mentioned municipal
24 securities.

25 Can you give me a sense of the extent to

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Justin Boyer - March 3, 2020

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2 MS. McGONIGLE: Objection. Foundation.

3 A. To my knowledge, no.

4 Q. When you say to your knowledge, no, is
5 that something that you inquired about in preparation
6 for today's deposition?

7 A. Not specifically. So no, I did not
8 inquire about that.

9 Q. So you're not able to testify today on
10 behalf of Redwood that there were no ERS bond
11 purchases made on other dates?

12 A. Is that a -- is that a question that you
13 submitted to us that we responded to? Because our
14 accounting team produced this information. I did not
15 produce this.

16 Q. I'm just asking the question.

17 A. No. I cannot off the top of my head
18 represent that that is.

19 Q. Do you know how Redwood acquired bonds
20 on each of these dates?

21 A. Open market purchases in the secondary
22 market, through brokers.

23 Q. So all bonds that --

24 A. Arm's length transactions.

25 Q. All bonds that Redwood acquired were

Exhibit 95

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Ricardo Ramos – June 2, 2020

Page 1

1 _____
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF PUERTO RICO
4 PROMESA TITLE III
5 CASE NO: 17-BK-03283 (LTS)

6 IN RE: THE FINANCIAL OVERSIGHT AND
7 MANAGEMENT BOARD FOR PUERTO RICO
8 as representative of
9 THE COMMONWEALTH OF PUERTO RICO, et al.,
10 Debtor(s).

11 _____
12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE DISTRICT OF PUERTO RICO
14 PROMESA TITLE III
15 CASE NO: 17-BK-03566 (LTS)

16 IN RE: THE FINANCIAL OVERSIGHT AND
17 MANAGEMENT BOARD FOR PUERTO RICO
18 as representative of
19 THE EMPLOYEES RETIREMENT SYSTEM OF THE
20 GOVERNMENT OF THE COMMONWEALTH OF PUERTO
21 RICO,
22 Debtor(s).

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Ricardo Ramos – June 2, 2020

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1 THE COURT REPORTER: Okay. One
2 moment.

3 My name is Michael Friedman, a
4 Certified Shorthand Reporter. This
5 deposition is being held via
6 videoconferencing equipment.

7 The witness and reporter are not in
8 the same room. The witness will be
9 sworn in remotely, pursuant to agreement
10 of all parties.

11 The parties stipulate that the
12 testimony is being given as if the
13 witness was sworn in person.

14

15 R I C A R D O R A M O S,

16 called as a witness, having been first
17 duly sworn according to law, testifies as follows:

18

19 EXAMINATION BY MR. DALSEN:

20 Q Okay. Good morning, Mr. Ramos.

21 A Good morning.

22 Q Could you please state your full
23 name for the record?

24 A My name is Ricardo Ramos Luina,
25 L-U-I-N-A.

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1 conversations -- and we can break them out if
2 we need to. I'll just start with a general
3 question.

4 During the four telephone
5 conversations that you had with your lawyer,
6 was anybody other than your lawyer on the
7 phone during those conversations?

8 A No, the lawyers.

9 Q How much time in total did you
10 spend preparing for today's deposition?

11 A Let me think.

12 Five, six hours.

13 Q Okay. For the Puerto Rico Funds,
14 during your time at UBS Trust, what was the
15 investment strategy of the Puerto Rico Funds?

16 MR. GREEN: Objection to form.

17 A Well, let's start -- it is a broad
18 question.

19 Let me try to -- to break it down,
20 because there are different types of funds.

21 I mean -- what I mean, types,
22 they're all closed end, but they have
23 different investment objectives and different
24 rating guidelines.

25 So in general terms, it's just

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1 follow the investment objectives and the
2 policies that are included in the offering
3 documents to -- to invest the -- the --
4 the -- the proceeds of the sale of the equity
5 of the fund in accordance with the prospectus
6 requirements, in its most general sense.

7 Q So realizing that, among the Puerto
8 Rico Funds, there are different strategies,
9 do the strategies of the different Puerto
10 Rico Funds fall into different buckets,
11 different categories of the Puerto Rico Funds
12 that share investment strategy?

13 A Well, the -- the -- the investment
14 objectives of the funds is -- is similar,
15 which is, you know, to maximize income
16 consistent with the preservation of capital.

17 That's the main investment
18 objective, so...

19 But under that, there are funds
20 that are target maturity funds, for example.

21 So they have a final maturity, so
22 those funds cannot be -- be invested past a
23 particular time frame.

24 There are other funds that are --
25 we call perpetual funds, so they have no

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1 limitation on maturities and investment.

2 So taking into consideration those
3 kind of investment guidelines and policies,
4 and objectives of the funds, the strategy
5 is -- is fairly similar, which is maximizing
6 income consistent with the preservation of
7 capital.

8 Q One thing that you had said was
9 the -- one of your answers just a bit ago,
10 was that the investment strategy included
11 investing the proceeds of the sale, the
12 equity of the respective fund in accordance
13 with the prospective requirements for those
14 funds.

15 Do you recall that?

16 A Prospectus requirements, yes.

17 Q Do any of the prospectus
18 requirements for the Puerto Rico Funds
19 include purchasing participation interests in
20 loans?

21 MR. GREEN: Objection to form.

22 A I -- you know, that -- that is --
23 that is a technical -- that is a technical
24 question.

25 I mean, loans, bonds, there's

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Ricardo Ramos - June 2, 2020

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1 evaluate the merits of the transaction, like
2 any other transaction, and execute the
3 transaction at the public offering price,
4 essentially.

5 Q Just to make sure, I understand the
6 procedures are to follow the same procedure
7 that Puerto Rico Funds would ordinarily
8 follow to evaluate an investment, and they
9 are -- they must purchase the UBS
10 underwritten security at the public offering
11 price and not at some discount.

12 Is that correct?

13 A Well, it's our premium. They --
14 they buy it -- they buy at -- they buy at the
15 price that other institution, because we are
16 institutional purchasers or considered
17 institutional purchases for -- for these --
18 these -- for these and other bond offerings,
19 so it has to be at the public offering price,
20 with the same discounts as everybody else and
21 certainly not a premium to the price that's
22 paid by anybody else.

23 Q And specifically for the initial
24 purchase of the ERS bonds by the Puerto Rico
25 Funds in the 2000 -- 2008, did the Puerto

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Ricardo Ramos – June 2, 2020

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1 Rico Funds follow those procedures for
2 affiliate transactions?

3 A Yes.

4 Q For subsequent purchases of ERS
5 bonds after the initial purchases in some of
6 the funds in January of 2008, did the Puerto
7 Rico Funds continue to follow those affiliate
8 transaction procedures for their subsequent
9 purchases of ERS bonds?

10 A Yes.

11 Q For subsequent purchases of ERS
12 bonds, were those purchases made on the open
13 market?

14 A You are just -- so I understand, I
15 believe I do, but let me rephrase just to
16 make sure.

17 You are now -- you're asking about
18 purchases in the secondary market, what we
19 call the secondary market after the bond
20 issues are issued and subsequent years, 2009,
21 2010, et cetera?

22 Q That's correct.

23 A Yes, those would be secondary
24 market purchases, and we would have to follow
25 the procedures for transactions with

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Ricardo Ramos – June 2, 2020

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1 affiliates, if we purchased them from UBS,
2 and we always would follow those procedures
3 for the secondary market transactions, yes.

4 Q And how would the Puerto Rico Funds
5 know that they were purchasing ERS bonds from
6 a UBS affiliate on the secondary market?

7 A Because the transaction would be
8 executed with UBS as a broker dealer in the
9 secondary market, so it's a reportable -- you
10 know, it's a transaction that's executed, and
11 we have to follow the procedures to be able
12 to execute a secondary market transaction
13 with an affiliate.

14 Q I see.

15 And which UBS entities specifically
16 would be the broker dealer in that
17 transaction?

18 A I believe -- my -- my best
19 recollection is that most of the
20 transactions -- are you referring just to
21 municipal bond transactions or all
22 transactions, including agencies and some of
23 the other securities that we can purchase?

24 Are you focusing just on Puerto
25 Rico municipals, so I can answer correct --

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1 you know, properly?

2 Q Yes, and specifically just the ERS
3 bonds.

4 A Oh. The ERS bonds, my -- my best
5 recollection is that the broker dealer that
6 executed their transaction would have been
7 UBS Financial Services of Puerto Rico, the
8 executing broker.

9 Q Did any of the individuals who --
10 well, let me back up for a moment.

11 I believe -- I believe you
12 testified earlier that the ultimate authority
13 to decide to purchase ERS bonds rested with
14 Leslie Highley for the Puerto Rico Funds
15 during your time at UBS Trust.

16 Is that correct?

17 A The Puerto Rico Funds being defined
18 as the sole advised funds, right?

19 Q That's correct. Okay.

20 A Yes.

21 Q And then for the -- then for the
22 co-advised funds with Banco Popular, which
23 we've been calling the Puerto Rico Investors
24 Funds, that would be a -- a joint decision
25 between Mr. Highley and somebody at Banco

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1 Popular.

2 Is that right?

3 A Correct.

4 Q For the UBS advised funds, the

5 Puerto Rico Funds, is there any written

6 agreement between the Puerto Rico Funds and

7 any UBS affiliate that pertains to the

8 purchase of ERS bonds?

9 A Not that I'm aware.

10 Q Is there any unwritten or informal

11 agreements between the Puerto Rico Funds and

12 any UBS affiliate pertaining to the purchase

13 of UBS bonds?

14 A Not that I'm aware.

15 Q Is there any understanding between

16 the Puerto Rico Funds and any UBS affiliate,

17 that you're aware of, concerning the purchase

18 of ERS bonds?

19 A No.

20 Q I just want to ask now about some

21 of the subsequent decisions to purchase, your

22 response being after the initial purchases,

23 that certain of the Puerto Rico Funds made in

24 2008, in January of 2008.

25 For the subsequent purchases of ERS

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1 bonds, did the Puerto Rico Funds, the Puerto
2 Rico Investors Funds, follow the same
3 processes as they did at the initial
4 purchase?

5 A The process -- I think the answer
6 in general is, yes, but I'd just -- just like
7 to, you know, clarify so that we -- not
8 clarify, but expand a little bit on that.

9 In the second -- you know, in the
10 secondary market, the bonds have already been
11 trading, so the on -- on -- there's ongoing
12 due diligence or ongoing review of all -- of
13 all of the credits that the funds purchase,
14 including ERS.

15 So the answer is generally yes, but
16 it's -- you know, it's not a -- it's not as
17 focused as the initial purchase because the
18 bonds are trading, there's information.
19 There's ratings that come, you know,
20 periodically. There's additional information
21 that becomes available.

22 And we -- we, by using the word we,
23 I mean the funds or the managers, that, you
24 know, follow publicly available information
25 in making investment decisions for all of

Exhibit 96

Elan Daniels - February 28, 2020

Page 1

| | | | |
|----|--|---|-------------------|
| 1 | IN THE UNITED STATES DISTRICT COURT | | |
| 2 | FOR THE DISTRICT OF PUERTO RICO | | |
| 3 | | | |
| 4 | <hr/> | | |
| 5 | In Re: |) | |
| 6 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA TITLE III |
| 7 | FOR PUERTO RICO |) | Case No. |
| 8 | as representative of |) | 17-BK-03283 (LTS) |
| 9 | THE COMMONWEALTH OF PUERTO RICO, et. al, |) | |
| 10 | Debtors. |) | |
| 11 | <hr/> | | |
| 12 | In Re: |) | |
| 13 | THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD |) | PROMESA Title III |
| 14 | FOR PUERTO RICO |) | Case No. |
| 15 | as representative of |) | 17-BK-03566 (LTS) |
| 16 | THE EMPLOYEES RETIREMENT SYSTEM OF THE |) | |
| 17 | GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO, |) | |
| 18 | Debtor. |) | |
| 19 | |) | |

21 C O N F I D E N T I A L

22 Videotaped Deposition of Elan Daniels

23

24 Reported by:

25 LORRAINE B. ABATE, CSR, RPR

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Elan Daniels – February 28, 2020

Page 14

1 Elan Daniels

2 THE VIDEOGRAPHER: Good morning. We're
3 on the record. This is the beginning of DVD No.
4 1, volume 1 in the 30(b)(6) deposition of Ocher
5 Rose. Representing the company is Elan Daniels.

6 We're here in the matter of the
7 Financial Oversight and Management Board for
8 Puerto Rico as representative of the
9 Commonwealth of Puerto Rico, et al.

10 Today's date is February 28th, 2020, and
11 the time is 10:03 a.m. The deposition is being
12 taken at Proskauer, 11 Times Square, New York,
13 New York. My name is Chris Martin. I'm the
14 videographer. The court reporter is
15 Lorraine Abate. We're from Gregory Edwards,
16 LLC. The appearances are being written on the
17 transcript. So at this time, will the court
18 reporter please swear in the witness.

19 E L A N D A N I E L S,
20 Having been first duly sworn by a Notary
21 Public of the State of New York, was
22 examined and testified as follows:

23 EXAMINATION BY MR. DALSEN:

24 Q. Good morning, Mr. Daniels.

25 A. Good morning.

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2 A. Ocher Rose, yes.

3 Q. Do you have any employment position at
4 Ocher Rose?

5 A. No.

6 Q. Do you have any position at all at Ocher
7 Rose?

8 A. No.

9 Q. Are you paid in any way by Ocher Rose?

10 A. No.

11 Q. We'll come back to that in a moment, but
12 let me just ask this; have you previously worked for
13 any ERS bondholders other than Ocher Rose?

14 A. Not to my knowledge.

15 Q. Let me just ask about Ocher Rose for a
16 minute.

17 Who is Ocher Rose, LLC?

18 A. It's a special purpose entity that holds
19 ERS bonds.

20 Q. And what is a special purpose entity?

21 A. It means the sole purpose of the entity
22 is to hold the bonds. So it does nothing else
23 besides hold the bonds in its name on a beneficial
24 basis.

25 Q. When you say beneficial basis, what does

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2 that mean?

3 A. Distinguishing between a record holder
4 and a beneficial holder. So it's a beneficial holder
5 of the bonds.

6 Q. What is the difference between -- one
7 moment. I'm sorry.

8 MR. DALSEN: If you're on the phone
9 line, can you please mute.

10 MS. RIOS: Yes.

11 MR. DALSEN: Thank you.

12 Q. Mr. Daniels, what is the difference
13 between a record holder and a beneficial holder of
14 bonds?

15 A. As far as I know, there's only one
16 record holder, and that's CDN Co. which is a DTC
17 affiliate, and everyone else who holds the bonds is a
18 beneficial holder.

19 Q. And what does it mean to be a beneficial
20 holder?

21 A. It means you have the economic -- you
22 have the economic interest in the bonds as opposed to
23 having actual title which I think is in the record
24 holder's name.

25 Q. Has -- I assume King Street Capital

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2 Management has never been a record holder or a
3 beneficial holder of ERS bonds?

4 A. Certain funds may have been record hold
5 -- beneficial holders.

6 Q. But King Street Capital Management
7 itself is not a beneficial holder or record holder,
8 right?

9 A. Correct.

10 Q. Which King Street funds, to your
11 knowledge, were beneficial holders of ERS bonds at
12 any time?

13 MR. FOX: Objection. Is this as a
14 30(b)(6) designee or is this just his personal
15 knowledge?

16 MR. DALSEN: 30(b)(6).

17 MR. FOX: What's the topic?

18 MR. DALSEN: Well, we're asking about
19 the ownership of the bonds, and what I'm being
20 told is that Ocher Rose is a special purpose
21 entity. And I'm being told that the beneficial
22 holder is Ocher Rose, but that there are other
23 beneficiaries, including some King Street
24 affiliates that we're just asking about now.

25 MR. FOX: Okay. I'm not sure I agree

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2 that this is within the topics, but you can ask
3 and we can see what he says.

4 MR. DALSEN: Can you repeat my question,
5 please.

6 (The record was read.)

7 A. Sitting here today, I don't know the
8 full names offhand. But something -- I might be able
9 to check and confirm later.

10 Q. Do you know if [REDACTED]
11 was one of those beneficial owners?

12 A. We have different ways of describing the
13 other funds, so I just don't know the definitive
14 official names.

15 Q. Okay. Do you know who the members of
16 Ocher Rose, LLC are?

17 A. I suspect, but I don't know for sure,
18 that it's our flagship funds.

19 Q. What are your flagship funds?

20 A. Well, I think you may have named one.
21 I'm just not officially -- I don't know the official
22 name.

23 Q. Okay. Does Ocher Rose have any
24 employees?

25 A. No.

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2 Q. Does Ocher Rose have its own general
3 counsel?

4 A. Not to my knowledge.

5 Q. Does Ocher Rose have any legal
6 department of its own?

7 A. No.

8 Q. What is the relationship between Ocher
9 Rose and King Street Capital Management?

10 A. The beneficial interests of -- the King
11 Street Capital Management are the investment manager.

12 Q. And what does that mean?

13 A. That's what -- can you rephrase the
14 question. I'm not exactly sure what you're getting
15 at.

16 Q. Sure. So what I'm trying to understand
17 is the relationship between Ocher Rose and King
18 Street Capital Management, if any such relationship
19 exists. So we'll start with that.

20 Is there any kind of relationship at all
21 between Ocher Rose and King Street Capital
22 Management?

23 A. I'm -- my understanding is that Ocher
24 Rose is an SPV that owns the bonds. Those interests
25 are owned by flagship funds. So I -- when you look

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2 at the investment manager, it's an investment manager
3 for the flagship funds and an investment manager for
4 Ocher Rose as the SPV that's owned by the flagship
5 funds.

6 Q. And as an investment manager, what does
7 King Street Capital do for Ocher Rose?

8 A. It manages Ocher Rose's investments.

9 Q. Does it make investment decisions for
10 Ocher Rose?

11 A. Yes.

12 Q. Do you know when Ocher Rose came into
13 existence?

14 A. Not the exact date, no.

15 Q. But you said it's a special purpose
16 entity solely to hold ERS bonds.

17 To your knowledge, did Ocher Rose exist
18 before it purchased ERS bonds?

19 MR. FOX: Objection, form.

20 MR. DALSEN: I could rephrase it
21 slightly.

22 Q. When did Ocher Rose first purchase ERS
23 bonds?

24 A. I believe it was in [REDACTED].

25 Q. Do you know if Ocher Rose existed prior

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2 to [REDACTED]?

3 A. I don't know the exact date it was
4 formed. It may be -- it may have.

5 Q. But it was formed specifically to hold
6 ERS bonds and for no other purpose?

7 A. It was formed to be an SPV, and at some
8 point, it acquired ERS bonds, and that's the only
9 thing it does, holds them.

10 Q. Who controls Ocher Rose?

11 MR. FOX: Objection, form.

12 MR. DALSEN: What's wrong with that?

13 MR. FOX: Controls I think is ambiguous.

14 Q. Do you understand the question?

15 A. Can you try and rephrase it.

16 Q. Who makes decisions for Ocher Rose, LLC?

17 A. King Street Capital Management.

18 Q. Does anybody other than King Street
19 Capital Management make decisions for Ocher Rose?

20 A. Not to my knowledge.

21 Q. Who makes decisions at King Street
22 Capital Management for Ocher Rose?

23 A. We have a pretty robust investment
24 process, so I'm not sure what you're getting at. I
25 mean, we have analysts and various investment

Exhibit 97

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25

LORRAINE B. ABATE, CSR, RPR

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2 THE VIDEOGRAPHER: Here begins media
3 unit 1, volume 1 for the video deposition of
4 Ms. Shanshan Cao in re: The Financial Oversight
5 & Management Board for Puerto Rico, et al.
6 versus Defendant 1G-50G, et al. defendants in
7 the United States District Court for the
8 District of Puerto Rico, case No. 17-BK-3283.

9 Today's date is March 4, 2020. The time
10 is approximately 9:10 a.m. This deposition is
11 being taken at Proskauer, 11 Times Square, New
12 York, New York 10036.

13 My name is Steve Decanio. I'm the legal
14 video specialist. The court reporter today is
15 Lorraine Abate. We are both from Gregory
16 Edwards, LLC. Attorney appearances will be
17 noted on the stenographic record.

18 At this time, the court reporter will
19 please swear in the witness so we may begin.

20 S H A N S H A N C A O,

21 Having been first duly sworn by a Notary
22 Public of the State of New York, was
23 examined and testified as follows:

24 EXAMINATION BY MR. DALSEN:

25 Q. Good morning, Ms. Cao.

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2 degrees or certifications?

3 A. No.

4 Q. Are you currently employed?

5 A. Yes.

6 Q. And who is your employer?

7 A. Centerbridge Partners.

8 Q. And what is Centerbridge Partners?

9 A. It's an investment firm.

10 Q. And what do they do as an investment
11 firm?

12 A. We make investments across an array of
13 industry verticals ranging from private equity
14 investments to credit investments.

15 Q. What was the last piece? I'm sorry.

16 A. Credit investments.

17 Q. Credit investments.

18 How long have you been at Centerbridge?

19 A. I joined in the summer of 2007.

20 Q. And what is your title there today?

21 A. Managing director.

22 Q. And what do you do as a managing
23 director today?

24 A. I generate investment ideas and oversee
25 portfolio investments.

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2 Q. Do you specifically oversee portfolio
3 investments in Puerto Rico as part of your job
4 responsibilities?

5 A. Correct.

6 Q. And as part of overseeing investments in
7 Puerto Rico as part of your job responsibilities,
8 does that include only investments that SV Credit has
9 made or investments that other affiliates of
10 Centerbridge has made?

11 A. My role includes overseeing investments
12 by all of the Centerbridge funds. To the best of my
13 knowledge, I believe SV Credit is the only entity
14 that invested in Puerto Rico.

15 Q. Okay.

16 A. Muni bonds.

17 Q. Okay. Puerto Rico muni bonds, you said?

18 A. Correct.

19 Q. In which Puerto Rico muni bonds is SV
20 Credit invested in?

21 A. The ERS bonds.

22 Q. Any others?

23 A. We owned [REDACTED] bonds, but we are no
24 longer invested in those. And I don't recall which
25 entities of Centerbridge those were made out of.

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